



City of Winston-Salem Report to the General Assembly on Local Government Funding, Subsidies, and Activities Related to Affordable Housing

Community Development Department

City of Winston-Salem
P.O. Box 2511
Winston-Salem, NC 27102
CityLink 311 (336.727.8000)
Fax: 336.734.1555
www.cityofws.org

The City of Winston-Salem has a strong focus on preserving and expanding its affordable housing stock and services, placing it as its number one priority in its strategic plan. In an effort to further analyze our community's needs, a citizen-led advisory committee was formed in early 2019 (called the Affordable Housing Coalition ("AHC")). The group meets every other month to discuss possible strategies the City may utilize to further its affordable housing initiatives.

Below is the breakdown for active units that are under a period of affordability and were funded in whole or in part with state or local funding, which totals 1,442 units. It is worth noting the City is a HUD Entitlement Community, and there are housing activities that are not reflected on this report as they are federal funds, which were not requested to be part of the report.

	LIHTC	Locally Sourced Funds
Single Family	0	91
Multi Family	662	689

**Local funds that were utilized for acquisition of properties that were then turned into affordable units by way of Department of Housing & Urban Development ("HUD") funds (CDBG, HOME and/or NSP) are not included in those figures.*

Addressing the 12 items in Section 1.(a) of the bill, the City of Winston-Salem are engaged in the following:

1. **Rezoning for densities necessary to assure the production of moderate income housing**

From January 1, 2019 through September 23, 2019, Winston-Salem has approved a total of ten rezonings for a total of 53.38 acres that would accommodate the production of moderate to high density housing, which in turn allows would-be developers to consider multiple sites for affordable housing production; higher densities allows for more units of affordable housing to be built per acre, increasing overall production capacity and lowers the per unit cost of the development

2. **Facilitating the rehabilitation or expansion of infrastructure that will encourage the construction of moderate income housing**

The utility department is currently considering adopting a policy to reimburse half of the water and sewer system development fees for new connections for buyers or renters that

CityLink311

Call 311 or 336-727-8000
citylink@cityofws.org

City Council: Mayor Allen Joiner; Vivian H. Burke, Mayor Pro Tempore, Northeast Ward; Denise D. Adams, North Ward; Dan Besse, Southwest Ward; Robert C. Clark, West Ward; John C. Larson, South Ward; Jeff MacIntosh, Northwest Ward; Annette Scippio, East Ward; James Taylor, Jr., Southeast Ward; City Manager: Lee D. Garrity

income falls at or below 120% AMI, and while the concept is still very preliminary in its development, it is a conversation that has begun and will continue. In addition, given the City is nearly built-out, there are not a lot of areas in which new infrastructure is needed to spur development, but rather, the City focuses heavily on maintaining the infrastructure it has (roads, bridges, community parks, etc.) to encourage developers to consider Winston-Salem as a good place to do business.

3. Encouraging the rehabilitation of existing uninhabitable housing stock into moderate income housing

The City has been working with the Center for Community Progress in order to work on an equitable and efficient way to deal with abandoned and vacant properties that could be catalysts for affordable housing opportunities; this process has brought various stakeholders to the table from the City and the County in order to use the sites as infill and/or redevelopment sites for both homeowner and rental units for those at or below 80% AMI.

4. Considering general fund subsidies to waive construction-related fees that are otherwise generally imposed by the city

At this time there are no formal procedures in place to waive construction-related fees for affordable housing, however, it is something that is currently being looked at by City staff and the AHC alike to determine what policies could be enacted that would further promote affordable housing development by reducing overall construction costs.

5. Creating or allowing for, and reducing regulations related to, accessory dwelling units in residential zones

In spring 2016, planning staff proposed a text amendment that would allow accessory dwelling units (ADUs) with the approval of a Special Use Permit (SUP) issued by the Board of Adjustment. This text amendment removed the relational requirement (i.e. blood relative, caretaker, etc) that had previously been in the UDO. The version of the text amendment adopted by City Council did away with the SUP option and instead required approval of a Special Use rezoning to establish an ADU. Since that time, no ADUs have been approved in the City.

6. Allowing for housing in commercial and mixed-use zones

In October 2018, City Council approved a text amendment that allows multifamily housing in our Highway Business (HB) zoning district with approval of a site plan by the Planning Board. Additionally, a focus of both Community Development staff and the AHC is creating affordable (low- and moderate- income) transit-oriented developments (TODs) throughout the City.

7. Encouraging higher density or moderate income residential development near major transit investment corridors

Many of the transit corridors in Winston-Salem are located along major or minor thoroughfares. Our future land use plans encourage more dense development along these corridors, including higher density multifamily. Our comprehensive plan, Legacy 2030,

specifically identifies many of these transit corridors as growth corridors where we encourage a mixture of uses including multifamily.

8. Eliminating or reducing parking requirements for residential development where a resident is less likely to rely on the resident's own vehicle, such as residential development near major transit investment corridors or senior living facilities

Our Pedestrian Business (PB), General Business (GB), and Entertainment (E) zoning districts allow for a 30% parking reduction for all land uses including residential. Our UDO also provides for a 5% reduction in required parking for uses where bicycle parking is provided at a rate higher than required by the UDO. In addition, the UDO provides a 5% parking reduction for uses which are located within 750 feet of a transit line. Last, the UDO provides a 3% parking reduction for uses which abut a public sidewalk or public greenway.

9. Allowing for single-room occupancy developments

At this time there is no zoning that allows for single-room occupancy, though the Affordable Housing Coalition is considering this as an option within their affordable housing plan.

10. Preserving existing moderate income housing

The work the City is doing while engaging Center for Community Progress focuses heavily on preserving housing rather than demolishing, wherever possible in order to preserve existing areas of naturally occurring affordable housing (NOAH). Additionally, the City has a robust homeowner and investor-owned repair program that is both funded through HUD funds (CDBG & HOME) and general obligation bond funds; this program is a huge catalyst to preserving existing affordable housing for our low- and moderate- income homeowners. There were over 60 rehabilitation cases closed out in the last fiscal year.

11. Considering utilization of State or federal funds or tax incentives to promote the construction of moderate income housing

The City has been successful in pairing local and/or HUD Entitlement funds with tax credit financing and/or market rate housing to create long-term affordable rentals. The Ujima Retirement Village is a 42 unit rental property that utilized general obligation bond funding which yielded 10% affordable units, and the Enclave II project is large multi-family garden style property that is funded with tax credits as well as HUD funds (HOME & NSP), which will yield a total of 96 total units. When discussing projects with potential development partners, we explore any and all funding sources that may be applicable, such as historic preservation tax credits, to increase the financial feasibility of projects.

12. Considering utilization of programs offered by the Housing Finance Agency within that agency's funding capacity

Certain elements of the current qualified allocation plan (QAP) provide challenges to development projects in areas impacted by previous discriminatory housing policies while simultaneously supporting HUD's stated goal to affirmatively further fair housing. The

City is a HUD entitlement community and we often have programs that either mirror or compliment NCHFA programs that are funded through HUD funds. That said, with homebuyers of our subsidized homes, we encourage them to work with real estate professionals that allow them to utilize resources to make the home affordable to them. The same can be said for the NCHFA's community partners; many of them are also community and/or development partners of the City, so we layer funding and programs within those partners/ agencies whenever possible to sustain them and net greater outreach in the community.

As described above, the City of Winston-Salem places a large value on producing and preserving affordable housing throughout the City to reach both low- and moderate-income households. It is expected the work of our AHC and staff together will further advance our affordable housing initiatives in the near future.